

Article 81 - Revenue and Taxes

128A.

[(a) A franchise tax is hereby annually levied and imposed for each fiscal year of the State beginning after June 30, 1968, upon every domestic financial institution for the privilege of existing as a corporation during any part of the State's fiscal year, and upon every financial institution organized under the laws of the United States or another state or nation for the grant to it of the privilege in corporate or organized form of transacting or for the actual transaction by it of any business within this State during any part of the State's fiscal year. "Financial institution" as used in this section shall include all commercial banks, safe deposit and trust companies, and finance corporations as defined in § 2(9) of this article but shall not include domestic or foreign finance corporations which make loans exclusively to farmers for agricultural purposes or any corporation licensed under the Small Business Investment Act of 1958, as amended (15 USCA 661 et seq., as amended).

(b) The tax imposed by this section shall be measured by the net earnings of such financial institution for the taxpayer's annual accounting period, whether calendar year or fiscal year as defined in § 279(h) of this article, ending within the fiscal year of the State for which the tax is imposed. For the fiscal year of the State ending June 30, 1969, the tax shall be measured by only those net earnings of the financial institution as are for the period after December 31, 1967. "Net earnings" for purposes of this section shall mean the net income of such financial institution for its annual accounting period ending within the fiscal year of the State for which the tax is imposed, determined in accordance with the provisions of § 280A of this article, allocable to this State under the provisions of subsection (e) of this section; provided, however, that the financial institution shall include in its income interest upon obligations of the United States, of any state including Maryland, of any county, municipal or public corporation, authority, special district, or political subdivision of any state including Maryland, and of the respective instrumentalities thereof, and shall further include in its income, § 280A(c)(4) of this article notwithstanding, all other interest and dividends to the extent included in its taxable income as defined in the laws of the United States, as amended from time to time and in effect for the corresponding taxable year.]

(A) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(1) "DIRECTOR" MEANS THE DIRECTOR OF THE DEPARTMENT OF ASSESSMENTS AND TAXATION.